

REYNOLDS AMERICAN INC.

Rule 10b5-1 Trading Plan Guidelines

Introduction

These guidelines are to be followed in connection with trading plans (each, a “plan”) for shares of the common stock of Reynolds American Inc. (“RAI”) adopted by employees or directors of RAI pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934 (the “1934 Act”). RAI’s employees or directors are not required to enter into a plan to purchase or sell shares of RAI common stock (unless a trade will occur during a blackout period under RAI’s insider trading policy set forth in RAI’s Code of Conduct), but such persons will be entitled to an affirmative defense to insider trading allegations if they effect trades under a plan that satisfies the requirements of Rule 10b5-1.

These guidelines are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1. Moreover, the broker that an employee or director uses to effect trades under a plan may impose on such person requirements in addition to those disclosed below. The General Counsel and Corporate Secretary of RAI will interpret and administer these guidelines. Under appropriate circumstances, these guidelines may be waived or modified, but only with the prior approval of the General Counsel or Corporate Secretary of RAI, after a careful consideration of all relevant facts and applicable law.

Guidelines

1. A plan only may be adopted or amended during an open window period (when an RAI trading blackout is not in effect) under RAI’s insider trading policy set forth in RAI’s Code of Conduct. This guideline is in addition to the requirement of Rule 10b5-1 that a person may not adopt or amend a plan while that person is in possession of material, non-public information regarding RAI.

2. The adoption of a plan, or the amendment of an existing plan, requires the approval of the General Counsel or Corporate Secretary of RAI, or their designee.
3. A plan covering the sale of shares issued upon the exercise of options or the vesting of equity awards, such as performance shares, granted under the Reynolds American Inc. Amended and Restated 2009 Omnibus Incentive Compensation Plan (the "Omnibus Plan") must be undertaken through the broker designated by RAI to manage the shares issued under the Omnibus Plan.
4. The first trade under a plan may not occur until at least 30 days after the date of the plan's adoption. The first trade under an amended plan after the adoption of an amendment to the plan may not occur until at least 30 days after the date of the plan amendment's adoption.
5. If an employee or director terminates a plan early, (a) such person must promptly notify the General Counsel or Secretary of RAI of such termination, and (b) such person may not adopt another plan until at least 90 days after the termination date of the prior plan.
6. An employee or director cannot have more than one plan in effect at the same time.
7. While an employee or director has a plan in effect, such person may not trade shares of RAI common stock outside the scope of the plan; provided, however, that, unless otherwise restricted by RAI's insider trading policy, such person may make gifts of shares of RAI common stock or, in the case of an employee, make trades in or out of the RAI Common Stock Fund of the RAI 401k Savings Plan.
8. A plan may not be in effect for more than two years from the date of its adoption.

9. RAI generally will disclose, by the issuance of a press release, the adoption, material amendment or termination of a plan by an RAI employee or director subject to the reporting and trading requirements of Section 16 of the 1934 Act and the regulations promulgated thereunder.

Questions concerning these Guidelines should be addressed to the General Counsel of RAI, Mark Holton (extension 0644), or the Corporate Secretary of RAI, Dara Folan (extension 5162).